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ZNR UUUUU ZZH
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FM AMEMBASSY CONAKRY
TO RUEHC/SECSTATE WASHDC 2000
INFO RUEHZK/ECOWAS COLLECTIVE

UNCLAS SECTION 01 OF 02 CONAKRY 000002

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E.O. 12598: N/A

TAGS: ECIN EFIN ECON EMIN GV

SUBJECT: LIVING ON LESS THAN \$1 PER DAY - WHY ENDS DON'T MEET

¶11. (SBU) SUMMARY. From shoe shiners to accountants, an informal Embassy survey demonstrates just why Guinea is considered one of the poorest countries in the world. This snapshot of average salaries in both the private and public sectors illustrates all too clearly the substantial economic hardship Guineans face on a daily basis - hardship that feeds underlying political tensions. In addition, many Guineans simply do not make a livable wage, demonstrating one of the key reasons endemic corruption continues to undermine the country's political and economic progress. END SUMMARY.

¶12. (SBU) Embassy staff conducted an informal survey of average salaries in the urban capital area in November and December 2007, which included both private enterprises and public officials. Given popular demands for lower prices and continued complaints about the overall quality of life for the average Guinean, Embassy wanted to establish baseline salary data in order to better understand basic economic conditions as an underlying political pressure. The survey involves only the reported monthly salary and does not include additional allowances such as for housing or transportation, which some employers provide.

MAKING A DOLLAR A DAY

¶13. (SBU) Overall, salaries ranged from \$29 to \$520 per month (at current exchange rates) or roughly 96 cents per day to \$17 per day. Some of the highest paid workers include accountants, managers and other skilled professions while the lower paid workers were dominated by government officials and unskilled labor including taxi drivers and hotel and restaurant employees. The World Bank estimates that Guinea's per capita annual income is \$410 for 2006, or about \$1.12 per day. Considering the relatively low number of skilled professionals versus unskilled laborers, it is likely that the income distribution is skewed towards a disproportionate number of very poor people earning less than the \$1.12/day World Bank estimate.

MAKING ENDS MEET

¶14. (SBU) Given current commodity costs and average living expenses, Embassy estimates that an urban, middle-class family of four spends a minimum of \$400 per month on basic living expenses, 75% of which is spent on food. Poorer families spend at least \$100 a month on food and lodging alone. A 50 kilo bag of rice, which would feed a family of four for about two weeks, costs \$30. These estimates consider only lodging, food, transportation and other essentials. Things like medical care, school uniforms and supplies, and clothing are not included. When the estimated cost of living is compared with average salaries, it is clear that simply making ends meet poses a significant challenge. Many families cannot get by without multiple family members working and maximizing shared expenses.

¶15. (SBU) It is also important to consider Guinea's significant unemployment. Official government figures report that unemployment is only 3%, but private and NGO estimates range from 18% to 50%.

What we do know is that many young people, even those with college educations, do not have gainful employment. It is also clear that an overabundance of ready labor, both skilled and unskilled, helps keep salaries low. Significant unemployment coupled with basic economic hardship means that many wage earners are supporting large extended families, which is exacerbated by the traditional practice of having multiple wives. It is common to see families of ten or more individuals living on the same family compound.

AN ENVIRONMENT FOR CORRUPTION

¶6. (SBU) One of the most striking aspects of the survey is the significantly low level of pay for government workers relative to the private sector. Government wages range from \$42 to \$78 per month. A low level government worker makes about the same as a gas station attendant while the highest level government worker makes about the same as a restaurant cook. A senior civil servant makes about \$2.50 per day. Despite these low wages, the government attracts significant numbers of college-educated employees and is generally considered to be a desirable employer. Since it would be nearly impossible for most families to subsist on these wages, it is likely that many government employees are supplementing their incomes through non-official means, i.e. corruption; rent-seeking.

COMMENT

¶7. (SBU) While we have known that the average Guinean faces substantial economic hardship on a daily basis, the salary figures coupled with our understanding of basic living expenses provide a

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much clearer picture of the country's economic reality. Low wages and the high cost of living contribute to the overall environment of corruption and pose significant challenges to advancing much needed reforms. In addition, the population's frustration over quality of life issues, which are directly related to the economic conditions, is a major political pressure. At the same time, significant numbers of neighboring Liberians and Sierra Leonians are living in Conakry reportedly because economic opportunities are better here than in their home countries. In the context of political and economic stability in the Mano River Region, this fact is particularly interesting - despite Guinea's extreme poverty, its neighbors still see it as a land of better opportunity even several years after their own wars and prolonged political instability.

¶8. (SBU) It should be noted that this analysis is limited to the urban capital area. It does not reflect economic conditions in the interior of the country and is not exhaustive in its coverage of labor in Conakry. END COMMENT.

TABLE OF SALARIES

¶9. TABLE OF AVERAGE SALARIES

Category	Profession	Salary USD(Gnf)/month
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Construction

Unskilled worker	\$105 (431,103 Gnf)
Laborer	\$118 (485,047 Gnf)
Exp. laborer	\$126 (518,365 Gnf)
Qualified worker	\$183 (752,954 Gnf)
Manager	\$333 (1,367,834 Gnf)

Hotel Industry

Room attendant	\$36 (150,000 Gnf)
Waiter	\$48 (200,000 Gnf)
Cook	\$73 (300,000 Gnf)
Dishwasher	\$34 (140,000 Gnf)

Petroleum

Pump attendant \$39 (160,000 Gnf)
Station Manager \$85 (350,000 Gnf)
Tank Driver \$97 (400,000 Gnf)
Shopkeeper \$36 (150,000 Gnf)

Miscellaneous

Maintenance Agent \$251 (951,569 Gnf)
Watchman \$183 (753,000 Gnf)
Driver \$243 (998,446 Gnf)
Accountant \$423 (1,735,569 Gnf)
Admin Assist. \$520 (2,134,000 Gnf)
Secretary \$389 (1,597,907 Gnf)
Taxi driver \$29 (120,000 Gnf)
Bus driver \$48 (200,000 Gnf)
Lorry driver \$97 (400,000 Gnf)
Shoe shiner \$21 (90,000 Gnf)
Tailor \$146 (600,000 Gnf)
Telecenter operator \$29 (120,000 Gnf)

Government

Hierarchy A \$78 (323,400 Gnf)
Hierarchy B \$53 (220,780 Gnf)
Hierarchy C \$42 (175,700 Gnf)

¶10. NOTE. Hierarchy A is the highest level of the Guinean administration employees and encompasses college graduates and those with post-graduate degrees. Hierarchy B is the middle level employees. Hierarchy C represents the lowest ranks of civilian government employees.

CARTER